Alberta weekly economic review

April 27, 2012

GDP by Industry

Alberta posts the strongest growth among the provinces last year...

Alberta's GDP by Industry accelerated in 2011, jumping by 5.2% after a 3.3% increase in 2010. The growth was the strongest among the provinces and Alberta's largest gain since 2006. The mining, oil & gas extraction industry, which comprised nearly one-third of Alberta's economic output, grew 4.3%. The manufacturing industry also supported the strong overall gain with a 10.9% increase in output, led by manufacturing in machinery, fabricated metal products, chemicals, and wood products. Retail and wholesale trade, along with transportation led growth in service sector output, which came in at 4.1%.

At the national level, the western provinces posted the strongest expansions, with Alberta (+5.2%) and Saskatchewan (+4.8%) leading the pack. Canadian real GDP growth by industry slowed to 2.6% in 2011 after a 3.4% reading the prior year.

Trade

Retail sales retreat in February, but still tracking well ahead of last year...

In February, retail sales reversed most of January's gain, slipping by 0.6% to $5.61 billion. Lower monthly sales were reported in all sub-sectors except building material, food & beverage, clothing and miscellaneous stores.

In spite of the monthly decline, retail sales remain very strong in Alberta, jumping 9.1% from February 2011 - the highest gain among the provinces, and more than twice the national increase of 4.1%.

Nationally, retail sales slipped (-0.2%) for the first time in seven months, with lower auto sales (-2.4%) mainly contributing to the decline.

Wholesale trade up sharply...

For the second consecutive month, Alberta wholesale trade improved, rising 0.7% to a record value of $6.3 billion in February. On a year-over-year basis, wholesale trade was 17% higher, powered by machinery, equipment & supplies as well as building materials & supplies.

Average Weekly Earnings

Alberta's average weekly earnings growth outpaces inflation...

Average weekly earnings in Alberta continued to rise in February, edging up by 0.1% to $1,057.57. Albertans earned 19% above the national average, and saw their average weekly earnings rise by 2.7% relative to February 2011.

Annual growth in weekly earnings continues to outpace inflation, which was 1.9% in February. This implies that, on average, Albertans saw real, or inflation adjusted, earnings gains.

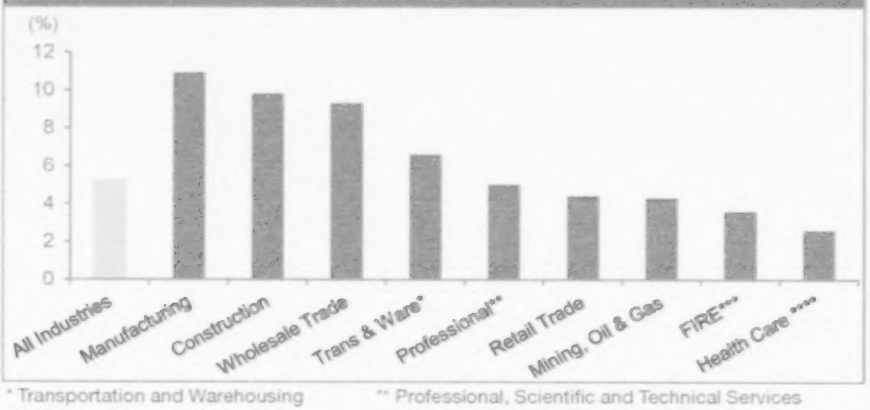
Nationally, average weekly earnings rose by 1.8% from a year ago, which was below the 2.6% rate of national inflation in February.

Rigs Drilling

Drilling activity posts solid annual gain...

Activity in the oil and gas industry remains strong overall, with April rigs drilling rising 14.4% to 141 over the same month last year. April's gain comes after a year-over-year pullback in March, caused in part by an early spring break-up. Through the first four months of 2012, rigs drilling are up 4.7% from the same time last year.

Alberta's Real GDP Growth, by Industry



* Transportation and Warehousing
** Professional, Scientific and Technical Services
*** Finance, Insurance & Real Estate
****Health Care includes Social Assistance

Closing Prices	April 19, 2012	April 26, 2012	2012–13 Fiscal YTD
Canadian Dollar ($US/$CAN)	100.74	101.62	100.65
WTI Oil ($US/bbl)	$102.27	$104.55	100.17
NYMEX Natural Gas ($US/MMBtu)	$1.91	$2.04	$2.03

Alberta Economic Indicators[1]

Population	2010	2011	2012YTD	Nov	Dec	Jan	Feb	Mar	Apr
Population[2] ('000's)	3,721	3,779	3,818			3,818			
% change	1.3	1.6	2.0			2	–	–	–
Net Interprovincial Migration[2] (level)	2,183	13,660	9,146			6,010	–	–	–
Net International Migration[2] (level)	21,533	14,093	13,877			6,297	–	–	–
Net Non-permanent Residents[2] (level)	77	7,968	2,400			105	–	–	–
Labour Market									
Employment ('000's)	2,017	2,094	2,132	2,132	2,133	2,136	2,128	2,132	–
% change	0.4	3.8	3.9	4.9	4.9	3.9	2.8	3.1	–
Unemployment Rate (%)	6.6	5.5	5.1	5.0	4.9	4.9	5.0	5.2	–
Participation Rate (%)	72.9	73.7	73.9	74.2	74.0	74.1	73.7	74.0	–
NEW: Average Weekly Earnings ($)	993	1,038.7	1,056.8	1,049.9	1,049.5	1,056.1	1067.57	–	–
% change	4.5	4.6	2.6	3.9	4.4	2.5	2.7	–	–
Price Indices									
Consumer Price Index	1.0	2.4	2.2	2.2	2.9	2.9	1.9	1.7	–
Excluding food and energy	0.8	0.8	1.3	1.5	1.2	1.4	1.0	1.6	–
Non-Res. Building Const. Price Index[3]	0.1	3.4	–	–	4	–	–	–	–
NEW: Farm Product Price Index	3.9	17.4	5.0	12.6	10.3	7.1	2.9	–	–
Crops	-14.5	19.1	2.8	4.5	4.8	0.8	4.7	–	–
Livestock	5.7	17.2	12.4	19.4	17.0	15.0	1.0	–	–
Household Sector									
Housing Starts (SAAR, '000's)	26.9	25.5	31.2	30.1	28.5	25.9	32.1	35.5	–
% change	34.5	-5.3	49.1	35.6	38.3	34.2	42.7	69.9	–
New Housing Price Index[4]	0.5	0.4	0.4	0.4	0.5	0.7	0.2	–	–
Edmonton	0.8	0.9	0.7	1.1	1.2	1.3	0.1	–	–
Calgary	1.7	0.1	0.2	0.2	0.1	0.1	0.4	–	–
MLS Average Resale Prices ($ '000's)	350.9	362.7	364.2	355.6	361.0	344.8	360.6	359.0	–
% change	3.1	0.5	0.3	0.3	0.7	-0.7	1.2	2.3	–
Edmonton ($ '000's)	326.5	326.5	330.5	326.0	329.0	325.2	334.5	331.7	–
% change	3.3	-0.7	2.8	-0.9	1.1	0.7	4.8	3.0	–
Calgary ($ '000's)	397.4	401.9	398.6	399.7	402.4	376.5	410.5	406.8	–
% change	3.4	1.1	-1.2	0.2	1.7	6.2	0.5	2.2	–
NEW: Retail Sales	6.0	7.0	10.0	8.5	7.9	11.0	9.1	–	–
New Motor Vehicle Sales	9.5	9.6	18.5	13.6	12.4	21.9	16.1	–	–
Consumer Bankruptcies (level)	8,150	5,069*	–						
% change	-18.4	-14.3*	–	–	–	–	–	–	–
Business Sector									
NEW: Rigs Drilling (level)	207	285	335	330	336	401	453	436	141
% change	61.3	37.9	4.7	19.4	25.8	7.8	9.9	7.5	14.4
Goods Exports (customs basis)	12.4	18.3	15.0	26.4	14.3	13.5	16.7	–	–
Energy	17.2	19.2	14.7	29.6	14.4	12.8	16.9	–	–
Agriculture	-14.4	21.4	22.8	11.7	40.3	27.4	18.4	–	–
Total Farm Cash Receipts (quarterly)	3.9	16.2			2.3	–		–	–
Manufacturing Shipments	11.0	18.0	17.5	25.7	16.3	16.9	18.4	–	–
NEW: Wholesale Trade	10.8	14.8	16.3	17.1	18.7	15.9	17.0	–	–
Building Permits	2.1	11.2	4.6	10.7	48.6	43.4	22.7	–	–
Residential	24.7	4.7	36.8	30.0	33.6	24.2	50.3	–	–
Non- residential	-19.0	20.4	-33.9	10.1	61.1	61.7	53.2	–	–
Business Bankruptcies (level)	378	227*	–					–	
% change	6.7	-27.9*	–	–	–	–	–	–	–

YTD (year- to- date) represents the change since the beginning of the year compared to the same period in the previous year.

[1] Unless otherwise indicated, all figures are year- over- year percentage change.

[2] Quarterly annual numbers are presented on a census year basis (July 1 – June 30).

[3] Quarterly, average of Calgary and Edmonton.

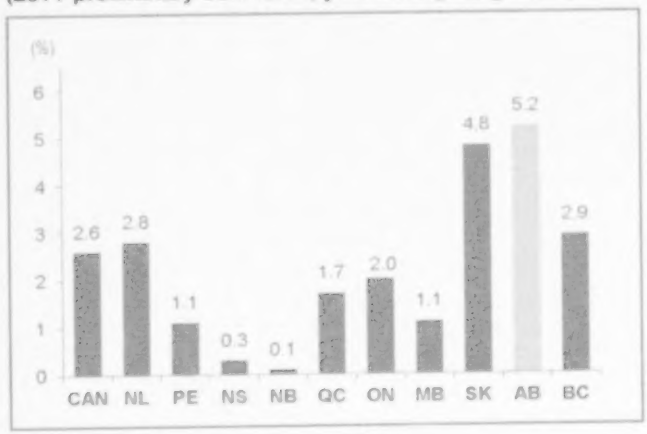
[4] Average of Calgary and Edmonton.

* Represents 2011 year- to- date.

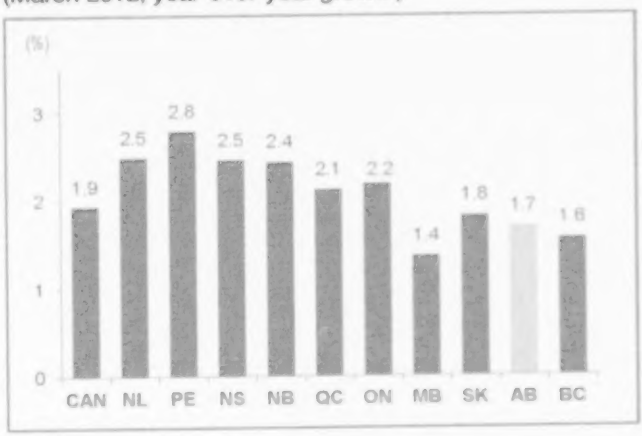
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

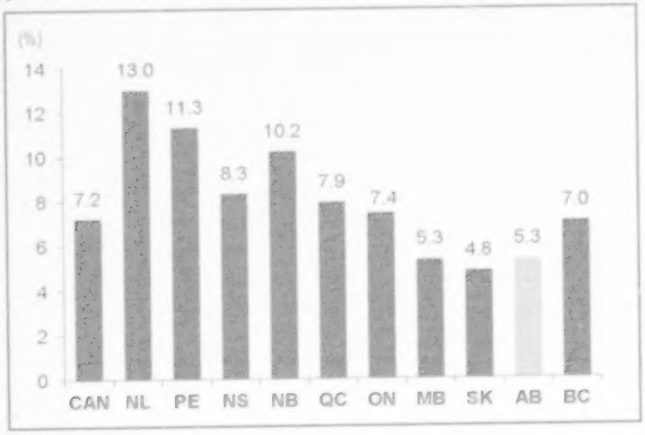
Real GDP Growth by Industry
(2011 preliminary estimates, year-over-year growth)



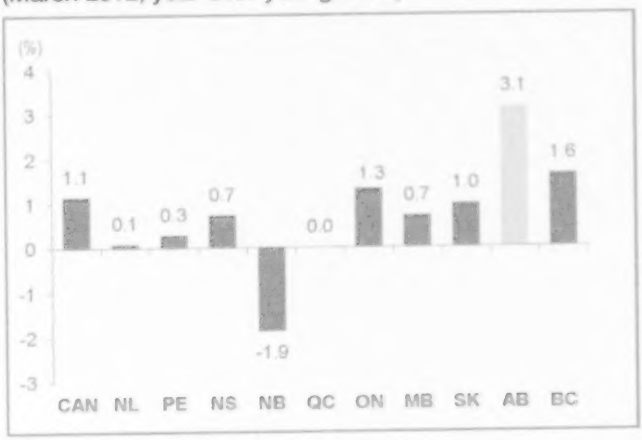
CPI Inflation
(March 2012, year-over-year growth)



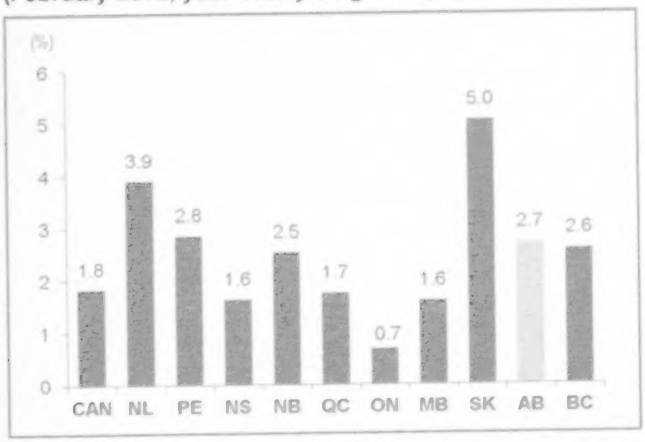
Unemployment Rate
(March 2012)



Employment
(March 2012, year-over-year growth)



Average Weekly Earnings
(February 2012, year-over-year growth)



Housing Starts
(March 2012, SAAR, year-over-year growth)